



Irish Life Weekly Investment Bulletin

The week that was – WEEK 18 (ending 05/05/2017)

“If you fell down yesterday, stand up today.” – H.G. Wells

Irish unemployment rate falls to 6.2% – Latest data from the Central Statistics Office show that the unemployment rate for April fell to 6.2%, down from 6.4% in March. This was the lowest level since May 2008. It hit a peak of 15.1% in 2012. The unemployment rate for women is now 5.5% whereas it is 6.7% for men.

Eurozone growth outstrips U.S. in first quarter – Economic growth in the eurozone grew at an annualised rate of 1.8% in the first quarter of 2017, compared to U.S. growth of 0.7%, which helped drive the German blue chip DAX 30 stock index to an all-time high and France's CAC 40 index rose to its highest level in nearly a decade.

Global stock market up 0.9% on the week – The MSCI AC World TR Index showed a 0.92% return from 28th April to 5th May as global equities extended their yearly gain with the background of improved economic growth, particularly in Europe and also the U.S. jobs update. The CBOC Volatility Index held steady near 10.

Large rebound in U.S. job gains in April – Latest figures from the Department of Labour show that U.S. jobs growth staged a bigger recovery than expected in April as businesses added 211,000 posts. The unemployment rate has now reduced to 4.4%, the lowest since May 2007, in the pre-financial crisis period.

Oil price drop to a near six-month low – Worries about Chinese economic growth and persistently high inventories helped drive crude oil prices down with West Texas Intermediate crude falling to nearly a six-month low, ending the week near \$45.50. Doubts now persist about the efficiency of the OPEC-led supply cut since January.

ECB confirms Greece bailout deal – The European Central Bank wrapped up an agreement with Greece on details of reforms to unlock the next tranche from its €86bn bailout program. The agreement covers a wide range of fiscal and structural measures. Greece needs the bailout urgently for a €6 billion July debt deadline.

The Story of the week: A British law student was caught red-handed using a James Bond style gadget to excel in a university exam. She was found with 24 pages of notes written in invisible ink that she had smuggled into the test inside a statute book, higher education watchdog the Office of the Independent Adjudicator (OIA) reported. It is believed she had also snuck a small torch UV light into the exam hall in order to decipher the otherwise invisible cheat sheets. But the student was quickly spotted cheating by her classmates and the exam invigilator and her notes were confiscated. The future lawyer's university, which has not been identified, subsequently failed her in all her modules as a punishment. Universities U.K. have stated that cheating is considered a serious offence.

DISCLOSURE: Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.

Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 05/05)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	9.4
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	3.6
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	12.4
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	7.9
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	13.3
Nikkei 225	22.9	56.7	7.1	9.1	0.4	1.7
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	9.8
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	8.2
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.3
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.1
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.9
Italy	4.6	4.1	2.1	1.6	1.8	2.2
Greece	12.7	8.2	9.6	7.9	7.1	5.7
Portugal	6.9	6.1	2.7	2.5	3.8	3.4
Spain	5.4	4.1	1.6	1.7	1.4	1.6
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.00
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.09
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.84
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.30
IPD All Property Return (%)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	2.0% (to end of Q1)
U.K.	2.7	10.7	17.8	13.1	3.6	2.3% (to end of Q1)
U.S.	5.3	11.4	11.2	12.1	7.8	N/A

*Past performance is not a reliable guide to future performance